

AMENDMENTS TO THE DRAWINGS:

Please replace the drawing sheet containing Figure 1 with the replacement sheet of drawings submitted herewith. The attached sheet of drawings corrects a minor error in Figure 1, step 5A, specifically, changing available_domestic_weighting to required_industry_weighting.

REMARKS

In the Office Action mailed August 20, 2007¹, the Examiner took the following actions:

Withdrew claims 28-41, 54, and 66 from consideration as being directed to a non-elected group;

Objected to the Abstract;

Objected to the specification;

Rejected claims 1, 2, 5, 23-25, 44, 52, 53, and 64 under 35 U.S.C. § 112, second paragraph;

Rejected claims 2, 24, and 58-63 under 35 U.S.C. § 112, fourth paragraph;

Rejected claims 1-27 and 42 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Application Publication 2003/0065602 to Yip ("Yip"); and

Rejected claims 43-53 and 55-65 under 35 U.S.C. § 103(a) as unpatentable over Yip in view of "Online Business Computer Applications" by Alan L. Eliason ("Eliason").

Applicants hereby amend claims 1, 2, 5-7, 23-25, 44, 52, 53, and 64. Figure 1 and the Abstract have additionally been amended. Claims 28-41, 54, 58-63, 65, and 66 have been canceled without prejudice or disclaimer. Claims 1-27, 42-53, 55-57, and 64 are currently pending.

I. Objection to the Abstract and to the Specification

The Examiner objected to the Abstract as being longer than 200 words. In response, Applicants have amended the Abstract to meet the requirements of

¹ The Office Action contains a number of statements reflecting characterization of the related art and the claims. Regardless of whether any such statement is identified herein, Applicants decline to automatically subscribe to any statement or characterization in the Office Action.

MPEP § 608.01(b). Accordingly, Applicants respectfully request that the Examiner withdraw the objection to the Abstract.

The Examiner objected to the Specification due to various informalities. Specifically, the Examiner objected to the use of the phrase “and the like” in the last paragraph of page 12 of the Specification, alleging that it “rendered the Specification indefinite as it is not properly defined,” citing to MPEP § 2173.05(d). (Office Action at p. 3). However, MPEP § 2173.05(d) pertains solely to claim language, and does not discuss the use of such phrases in the Specification. “Description of examples or preferences is properly set forth in the specification rather than the claims.” MPEP § 2173.05(d). Accordingly, the phrase is properly set forth in the Specification.

The Examiner additionally states that “whilst” on page 17, line 18 is misspelled, and alleges that there are numerous other errors and typos in the Specification. See Office Action at p. 3. Applicants respectfully note, however, that “whilst” is a British English spelling, as are the other spelling “typos” in the Specification. “Examiners should not object to the specification and/or claims in patent applications merely because applicants are using British English spellings (e.g., colour) rather than American English spellings. It is not necessary to replace the British English spelling with the equivalent American English spellings in the U.S. patent applications.” MPEP § 608.01. (emphasis in original).

Accordingly, Applicants respectfully request the Examiner withdraw the objection to the Specification.

II. Rejection of claims 1, 2, 5, 23-25, 44, 52, 53, and 64 under 35 U.S.C. § 112, second paragraph

The Examiner rejected claims 1, 2, 5, 23-25, 44, 52, 53, and 64 as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. Specifically, the Examiner alleged that the term “substantially” rendered the claims to be indefinite. See Office Action at p. 3. Applicants respectfully traverse the rejection. However, to expedite prosecution, Applicants have amended the claims to remove the use of the term “substantially,” thereby obviating any rejection under 35 U.S.C. § 112, second paragraph. Accordingly, Applicants respectfully request the Examiner withdraw the rejection of claims 1, 2, 5, 23-25, 44, 52, 53, and 64 under 35 U.S.C. § 112, second paragraph.

III. Rejection of claims 2, 24, and 58-63 under 35 U.S.C. § 112, fourth paragraph

The Examiner rejected claims 2, 24, and 58-63 under 35 U.S.C. § 112, fourth paragraph, as being in improper dependent form for failing to further limit the subject matter of their independent claims. Claims 58-63 have been canceled, rendering their rejection moot.

Regarding claims 2 and 24, the Examiner states that “the limitation of claims 2 and 24 ‘having a weighting substantially equal to said required industry weighting’ does not further limit the subject matter of their independent claims ‘weighting equals or exceeds said required industry weighting.’ The term substantially is not properly defined in the specification.” (Office Action at p. 4). Applicants have removed the term “substantially” from the claims, rendering any rejection based on the use of

"substantially" moot. However, Applicants disagree that claims 2 and 24 do not further limit their independent base claim.

The method of claim 1 determines whether the "available domestic weighting equals or exceeds said required industry weighting," and if so, picks exclusively domestic financial investments. Dependent claim 2 further limits claim 1 by actually assigning a weighting value, specifically, "a weighting equal to said required industry weighting." Claim 1 does not recite this additional step. Accordingly, claim 2 fully meets the requirements of 35 U.S.C. § 112, fourth paragraph. Similar reasoning applies for claim 24.

Accordingly, Applicants respectfully request that the Examiner reconsider and withdraw the rejection of claims 2, 24, and 58-63 under 35 U.S.C. § 112, fourth paragraph.

IV. Rejection of claims 1-27 and 42 under 35 U.S.C. § 102(e) as being anticipated by Yip

Applicants respectfully traverse the rejection of claims 1-27 and 42 under 35 U.S.C. § 102(e) as anticipated by Yip.

In order to properly establish that Yip anticipates Applicants' claimed invention under 35 U.S.C. § 102, each and every element of each of the claims in issue must be found, either expressly described or under principles of inherency, in that single reference. Furthermore, "[t]he identical invention must be shown in as complete detail as is contained in the ... claim." See M.P.E.P. § 2131, quoting *Richardson v. Suzuki Motor Co.*, 868 F.2d 1126, 1236, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989).

Claim 1 recites, among other things, a method for determining a weighting of an investment portfolio, including:

determining a mixture of financial investments within said selected industry based group, whereby said mixture consists of:

e1) exclusively said domestic financial investments if said available domestic weighting equals or exceeds said required industry weighting; otherwise

e2) domestic financial investments having a weighting equal to said available domestic weighting, and international financial investments having a weighting equal to said required industry weighting minus said available domestic weighting.

(emphasis added). Yip does not disclose at least these elements of amended claim 1.

Yip discloses a method for “improved dynamic, passive management of an investment portfolio.” (Yip, ¶ 0029). Specifically, Yip discloses assets in clusters which “are either individual stocks or pre-specified groups of stocks (e.g., industry sectors or regional industry groups.” (Yip, ¶ 0031). “In a presently preferred embodiment, the weights of the clusters are set initially to equal values, to which they are re-balanced, while the weights of the assets within clusters are capitalization-weighted and are returned to capitalization-weighted values as of each re-balancing and each reconstitution.” (Yip, ¶ 0034).

The Examiner first cites to Table II, 3rd column, “Annualized World Return, paragraph 81 as allegedly disclosing “determining a required industry weighting for said selected industry based group” as recited in claim 1. (Office Action at p. 5). This, however, is incorrect. Paragraph 81 of Yip states, “[t]he empirical results shown in [Table II] demonstrate that an embodiment of the method according to the present

invention, when applied to historical data, consistently outperforms the MSCI Developed Market World Index from 1977 to 2000.” The “Annualized World Return” cited by the Examiner in Table II only indicates an annualized return for the World Index of investments, and does not constitute a “required industry weighting for [a] selected industry based group” as recited in claim 1. This paragraph is simply indicating that the method described by Yip outperforms the MSCI Developed Market World Index in terms of returns on investments. Nothing in Table II, paragraph 81, or any other portion of Yip discusses “determining a required industry weighting for [a] selected industry based group” as recited in claim 1.

The Examiner further alleges that Figure 2, paragraphs 51-53 of Yip discloses “determining a mixture of financial investments . . . said mixture consists of exclusively said domestic financial investments if said available domestic weighting equals or exceeds said required industry weighting; otherwise, domestic financial investments having a weighting substantially equal to said available domestic weighting and international financial investments . . . equal to said required industry weighting minus said available domestic weighting” as recited in claim 1. (Office Action at p. 6) (emphasis added). This is incorrect.

Claim 1 recites “determining a mixture of financial investments.” Claim 1 further specifies that the mixture will have one of two possible constituents, depending on the absence or existence of a specified condition. Specifically, the mixture will be “exclusively [] domestic financial investments if [an] available domestic weighting equals or exceeds [a] required industry weighting” as noted in step e1) claim 1. At other times, the mixture will be “domestic financial investments . . . having a weighting equal to [an]

available domestic weighting, and international financial investments having a weighting equal to [a] required industry weighting minus [the] available domestic weighting” as noted in step e2) of claim 1.

Neither paragraphs 51-53, nor any other portions of Yip discuss any of these mixture steps. “Following market activity, in which the value and capitalization of the portfolio assets will vary, the clusters are re-balanced . . . the clusters are adjusted such that their weights in the portfolio are equal, while the weights of the assets in each cluster are adjusted so that they are capitalization-weighted at the time of the rebalancing.” (Yip, ¶ 0052). This does not constitute determining a mixture of “domestic financial investments . . . having a weighting equal to [a] available domestic weighting, and international financial investments having a weighting equal to [a] required industry weighting minus [the] available domestic weighting” as noted in step e2) of claim 1. (emphasis added). Indeed, there is no step of subtracting one weighting value from another weighting value anywhere in Yip, let alone assigning that value as a weighting for international financial investments.

For at least the above reasons, Yip does not disclose each and every element of independent claim 1 and, accordingly, Yip does not anticipate claim 1. Claim 1 is therefore allowable.

While independent claims 23, 25, and 42 are of different scope than claim 1, they each recite elements corresponding to those of claim 1 discussed above. Therefore, independent claims 23, 25, and 42 are also allowable over Yip for at least the reasons set forth above regarding claim 1. Moreover, dependent claims 2-22, 24, 26, and 27 are

allowable for at least the reasons set forth above with regard to their respective allowable base claims.

V. Rejection of claims 42-53 and 55-65 under 35 U.S.C. § 103(a) as being unpatentable over Yip in view of Eliason

Applicants respectfully traverse the rejection of claims 43-53 and 55-65 under 35 U.S.C. § 103(a) as being unpatentable over Yip in view of Eliason, because a *prima facie* case of anticipation has not been established with respect to these claims.

“The key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious. . . . [R]ejections on obviousness cannot be sustained with mere conclusory statements.” M.P.E.P. § 2142, 8th Ed., Rev. 6 (Sept. 2007) (internal citation and inner quotation omitted). “The mere fact that references can be combined or modified does not render the resultant combination obvious unless the results would have been predictable to one of ordinary skill in the art.” M.P.E.P. §2143.01(III) (emphasis in original). “In determining the differences between the prior art and the claims, the question under 35 U.S.C. 103 is not whether the differences themselves would have been obvious, but whether the claimed invention as a whole would have been obvious.” M.P.E.P. § 2141.02(I), (emphasis in original).

“[T]he framework for objective analysis for determining obviousness under 35 U.S.C. 103 is stated in *Graham v. John Deere Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966). . . . The factual inquiries . . . [include determining the scope and content of the prior art and] . . . [a]scertaining the differences between the claimed invention and the prior art.” M.P.E.P. § 2141(II). “Office personnel must explain why the difference(s)

between the prior art and the claimed invention would have been obvious to one of ordinary skill in the art.” M.P.E.P. § 2141(III). Here, a *prima facie* case of obviousness has not been established because the Examiner has neither properly determined the scope and content of the prior art nor properly ascertained the differences between the claimed invention and the prior art. Accordingly, the Examiner has failed to clearly articulate a reason why the prior art would have rendered the claimed invention obvious to one of ordinary skill in the art.

Independent claims 43, 44, 52, 53, 55, and 64 recite elements similar to those discussed in relation to independent claim 1. As set forth above, Yip fails to teach each and every element of claim 1, and as independent claims 43, 44, 52, 53, 55, and 64 recite similar elements, Yip also fails to teach each and every element of independent claims 43, 44, 52, 53, 55, and 64.

However, Eliason does not compensate for the deficiencies of Yip. That is, Eliason does not teach or suggest “determining a mixture of financial investments . . . said mixture consists of exclusively said domestic financial investments if said available domestic weighting equals or exceeds said required industry weighting; otherwise, domestic financial investments having a weighting substantially equal to said available domestic weighting and international financial investments . . . equal to said required industry weighting minus said available domestic weighting” as recited in independent claim 1, and consequently independent claim 43 which performs the method as defined in independent claim 1. (emphasis added).

Consequently, the Office Action has neither properly determined the scope and content of the prior art nor properly ascertained the differences between the prior art and the claimed invention.

Moreover, Applicants note that Yip discloses that “[t]he composition of the universe of assets is independent of the investor’s home country.” (Yip, ¶ 0081). (emphasis added). This statement shows that Yip actually teaches away from the combination recited in claim 43, which specifies that the “mixture of financial investments within said selected industry based group . . . consists of: exclusively said domestic financial investments if said available domestic weighting equals or exceeds [the] required industry weighting,” as noted in step e1) of claim 1. (emphasis added). Based on this comparison, an appropriate mixture is chosen. MPEP § 2141.02 (VI) explains that “[a] prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention.” See MPEP § 2141.02 (VI) (emphasis added). Because Yip teaches away from the claimed combinations, Yip cannot render these claims obvious.

Accordingly, the Office Action has not clearly articulated a reason as to why the claim would have been obvious to one of ordinary skill in view of the prior art. Therefore, a *prima facie* case of obviousness has not been established for claim and the Examiner should withdraw the rejection of the claim under 35 U.S.C. § 103(a).

Independent claims 44, 52, 53, 55, and 64, although of different scope, recite similar elements to claim 43. Therefore, the rejections of these claims under 35 U.S.C. § 103(a) is not supported by the art of record, for at least the reasons set forth above.

Moreover, dependent claims 45-51, 56, and 57 are allowable for at least the reasons set forth above with regard to their respective allowable base claims.

CONCLUSION

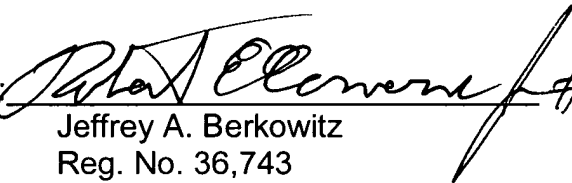
In view of the foregoing remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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Dated: January 22, 2008

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Attachments: One (1) Replacement Sheet of Figure 1.
One (1) clean Abstract.